Agreement on Chile's Debts Reportedly Signed in Paris

PARIS, April 20 (Thursday) —Chile and its creditor nations, including the United States, signed an agreement early today rescheduling Chile's most pressing foreign debts, officials said here.

The agreement was signed by Guy Nebot, chairman of the 16-nation "Paris Club" of creditors, and Alfonso Inostroza, president of Chile's Central Bank, after three days of negotiations.

John Hennesy assistant secretary of the U.S. Treasury, told reporters that Washington was pleased to participate in the agreement. "The U.S. is glad to see that a satisfactory agreement has been reached by the Paris Club," he said.

Conference sources had said that Chile would be given a two-year grace period before resuming its debt servicing over the next six years.

The Chileans had originally sought a four-year period of grace and a debt-servicing period spread over 10 years, the sources said.

This morning's agreement covers the consolidation of debt servicing from November 9, 1971—when Chile's President Salvador Allende suspended debt repayments—to December 31, 1973, the sources added.

(In Washington, the State Department said yesterday that U.S. Under Secretary of State John N. Irwin II had a "most agreeable conversation" with Chilean President Salvador Allende last weekend in Santiago. A spokesman said their discussions touched on current expropriation disputes with U.S. companies.)

ITT Minimizes Effect Of Any Nationalization

NEW YORK, April 19—The International Telephone & Telegraph Corp. (ITT) said today that the threatned nationalization of its properties in Chile would have no financial impact on the huge conglomerate.

A spokesman for ITT said that a full reserve had been established in 1971 to cover the uninsured portion of its investment in the Chile Telephone Co., as well as all remaining properties in the country. (The company values these properties at nearly $200 million, while the Chilean governmen's evaluation is less than half that figure.)

Chile's President Salvador Allende told a rally last night that his government would send a bill to Confress to expropriate ITT's Chilean holdings.